

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 101

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO THE HOMEOWNER EXEMPTION; AMENDING SECTION 63-602G, IDAHO CODE,
2 TO REVISE A PROVISION REGARDING THE HOMEOWNER EXEMPTION AND TO PROVIDE
3 THAT THE HOMEOWNER EXEMPTION SHALL NOT BE PRORATED; AND DECLARING AN
4 EMERGENCY.
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 63-602G. PROPERTY EXEMPT FROM TAXATION -- ~~HOMEOWNER~~ HOMESTEAD HOMEOWNER. (1)
10 For each tax year, the first one hundred twenty-five thousand dollars
11 (\$125,000) of the market value for assessment purposes of the homestead as
12 that term is defined in section 63-701, Idaho Code, or fifty percent (50%)
13 of the market value for assessment purposes of the homestead as that term
14 is defined in section 63-701, Idaho Code, whichever is the lesser, shall be
15 exempt from property taxation.

16 (2) The homeowner exemption allowed by this section may be granted only
17 if:

18 (a) The homestead is owner-occupied and used as the primary dwelling
19 place of the owner. The homestead may consist of part of a multidwelling
20 or multipurpose building and shall include all of such dwelling or
21 building except any portion used exclusively for anything other than
22 the primary dwelling of the owner. The presence of an office in a home-
23 stead, which office is used for multiple purposes, including business
24 and personal use, shall not prevent the owner from claiming the exemp-
25 tion provided in this section; and

26 (b) The state tax commission has certified to the board of county com-
27 missioners that all properties in the county subject to appraisal by the
28 county assessor have, in fact, been appraised uniformly so as to secure
29 a just valuation for all property within the county; and

30 (c) The owner has certified to the county assessor that:

31 (i) He is making application for the exemption allowed by this
32 section;

33 (ii) The homestead is his primary dwelling place; and

34 (iii) He has not made application in any other county for the ex-
35 emption and has not made application for the exemption on any other
36 homestead in the county.

37 (d) For the purpose of this section, the definition of "owner" shall be
38 the same definition set forth in section 63-701(7), Idaho Code. When
39 an "owner," pursuant to the provisions of section 63-701(7), Idaho
40 Code, is any person who is the beneficiary of a revocable or irrevoca-
41 ble trust, or who is a partner of a limited partnership, a member of a
42 limited liability company, or shareholder of a corporation, he or she

1 may provide proof of the trust, limited partnership, limited liability
2 company, or corporation in the manner set forth in section 63-703(4),
3 Idaho Code.

4 (e) Any owner may request in writing the return of all copies of any
5 documents submitted with the affidavit set forth in section 63-703(4),
6 Idaho Code, that are held by a county assessor, and the copies shall
7 be returned by the county assessor upon submission of the affidavit in
8 proper form.

9 (f) For the purpose of this section, the definition of "primary
10 dwelling place" shall be the same definition set forth in section
11 63-701(8), Idaho Code.

12 (g) For the purpose of this section, the definition of "occupied" shall
13 be the same definition set forth in section 63-701(6), Idaho Code.

14 (3) An owner need only make application for the exemption described in
15 subsection (1) of this section once, as long as all of the following condi-
16 tions are met:

17 (a) The owner has received the exemption during the previous year as
18 a result of his making a valid application as set forth in subsection
19 (2)(c) of this section.

20 (b) The owner or beneficiary, partner, member or shareholder, as appro-
21 priate, still occupies the same homestead for which the owner made ap-
22 plication.

23 (c) The homestead described in paragraph (b) of this subsection is
24 owner-occupied or occupied by a beneficiary, partner, member or share-
25 holder, as appropriate, and used as the primary dwelling place of the
26 owner or beneficiary, partner, member or shareholder, as appropriate.

27 (4) The full amount of the exemption allowed by this section shall be
28 effective upon the date of the application and must be taken before the re-
29 duction in taxes provided by sections 63-701 through 63-710, Idaho Code, is
30 applied. The exemption allowed by this section shall not be prorated.

31 (5) Recovery of property tax exemptions allowed by this section but im-
32 properly claimed or approved:

33 (a) (i) Prior to granting an exemption, the county assessor shall
34 investigate whether an applicant for the exemption has claimed the
35 exemption for another homestead and shall not grant the exemption
36 where it appears the exemption has been improperly claimed. The
37 applicant shall be notified of the county assessor's refusal to
38 grant the exemption.

39 (ii) Upon discovery of evidence, facts or circumstances indicat-
40 ing any exemption allowed by this section was improperly claimed
41 or approved, the county assessor shall decide whether the exemp-
42 tion claimed should have been allowed and, if not, notify the tax-
43 payer in writing, assess a recovery of property tax and notify the
44 county treasurer of this assessment. If the county assessor de-
45 termined that an exemption was improperly approved as a result of
46 county error, the county assessor shall present the discovered ev-
47 idence, facts or circumstances from the improperly approved ex-
48 emption to the board of county commissioners, at which time the
49 board may waive a recovery of the property tax, and notify such
50 taxpayer in writing.

1 (b) Upon request by a county assessor conducting an investigation under
2 paragraph (a) of this subsection, or when information indicating that
3 an improper claim for the exemption allowed by this section is discov-
4 ered by the state tax commission, the state tax commission shall dis-
5 close relevant information to the appropriate county assessor, board
6 of county commissioners, county clerk, and county treasurer and to the
7 secretary of state. Information disclosed to county officials and the
8 secretary of state by the state tax commission under this subsection:

9 (i) May be used to decide the validity of any entitlement to the
10 exemption provided in this section;

11 (ii) Shall, as necessary, be used to determine a person's resi-
12 dence for voting purposes under title 34, Idaho Code; and

13 (iii) Is not otherwise subject to public disclosure pursuant to
14 chapter 1, title 74, Idaho Code.

15 (c) The assessment and collection of the recovery of property tax must
16 begin within the seven (7) year period beginning the date the assessment
17 notice reflecting the improperly claimed or approved exemption was re-
18 quired to be mailed to the taxpayer.

19 (d) (i) An applicant for an exemption under this section may appeal
20 to the county board of equalization the county assessor's refusal
21 to grant an exemption pursuant to paragraph (a) of this subsection
22 within thirty (30) days of the date the county assessor sent notice
23 of the refusal.

24 (ii) The taxpayer may appeal to the county board of equalization
25 the decision by the county assessor to assess the recovery of prop-
26 erty tax within thirty (30) days of the date the county assessor
27 sent the notice to the taxpayer pursuant to this section. The
28 board may waive the collection of all or part of any costs, late
29 charges, and interest in order to facilitate the collection of the
30 recovery of the property tax.

31 (e) For purposes of calculating the tax, the amount of the recovered
32 property tax shall be for each year the exemption allowed by this sec-
33 tion was improperly claimed or approved, up to a maximum of seven (7)
34 years. The amount of the recovery of property tax shall be calculated
35 using the product of the amount of exempted value for each year multi-
36 plied by the levy for that year plus costs, late charges, and interest
37 for each year at the rates equal to those provided for delinquent prop-
38 erty taxes during that year.

39 (f) Any recovery of property tax shall be due and payable no later than
40 the date provided for property taxes in section 63-903, Idaho Code, and
41 if not timely paid, late charges and interest, beginning the first day
42 of January in the year following the year the county assessor sent the
43 notice to the taxpayer pursuant to this section, shall be calculated at
44 the current rate provided for property taxes.

45 (g) Recovered property taxes shall be billed, collected and dis-
46 tributed in the same manner as property taxes, except each taxing dis-
47 trict or unit shall be notified of the amount of any recovered property
48 taxes included in any distribution.

49 (h) Thirty (30) days after the taxpayer is notified, as provided in
50 paragraph (a) of this subsection, the assessor shall record a notice

1 of intent to attach a lien. Upon the payment in full of such recov-
2 ered property taxes prior to the attachment of the lien as provided in
3 paragraph (i) of this subsection, or upon the successful appeal by the
4 taxpayer, the county assessor shall record a rescission of the intent to
5 attach a lien within seven (7) business days of receiving such payment
6 or within seven (7) business days of the county board of equalization
7 decision granting the appeal. If the real property is sold to a bona
8 fide purchaser for value prior to the recording of the notice of the in-
9 tent to attach a lien, the county assessor and treasurer shall cease the
10 recovery of such unpaid recovered property tax.

11 (i) Any unpaid recovered property taxes shall become a lien upon the
12 real property in the same manner as provided for property taxes in sec-
13 tion 63-206, Idaho Code, except such lien shall attach as of the first
14 day of January in the year following the year the county assessor sent
15 the notice to the taxpayer pursuant to this section.

16 (j) For purposes of the limitation provided by section 63-802, Idaho
17 Code, moneys received pursuant to this subsection as recovery of prop-
18 erty tax shall be treated as property tax revenue.

19 (6) The legislature declares that this exemption is necessary and just.

20 (7) A homestead, having previously qualified for exemption under this
21 section in the preceding year, shall not lose such qualification due to: the
22 owner's, beneficiary's, partner's, member's or shareholder's absence in the
23 current year by reason of active military service or because the homestead
24 has been leased because the owner, beneficiary, partner, member or share-
25 holder is absent in the current year by reason of active military service.
26 An owner subject to the provisions of this subsection must apply for the ex-
27 emption with the county assessor every year on or before a deadline date as
28 specified by the county assessor for the county in which the homestead is
29 claimed. If an owner fails to apply on or before the established deadline,
30 the county may, at its discretion, discontinue the exemption for that year.

31 (8) A homestead, having previously qualified for exemption under this
32 section in the preceding year, shall not lose such qualification due to
33 the owner's, beneficiary's, partner's, member's or shareholder's death
34 during the year of the owner's, beneficiary's, partner's, member's or share-
35 holder's death and the tax year immediately following such death, provided
36 that the homestead continues to be a part of the owner's, beneficiary's,
37 partner's, member's or shareholder's estate. After such time, the new owner
38 shall reapply to receive the exemption pursuant to this section and shall
39 meet the qualification criteria contained in this section.

40 (9) The amount by which each exemption approved under this section ex-
41 ceeds one hundred thousand dollars (\$100,000) may, in the discretion of the
42 governing board of a taxing district, be deducted from the new construction
43 roll for the following year prepared by the county assessor in accordance
44 with section 63-301A, Idaho Code, but only to the extent that the amount ex-
45 ceeds the same deduction made in the previous year.

46 (10) By July 1, 2023, the state tax commission shall establish a data-
47 base of all active exemptions claimed under this section, which database
48 shall be searchable by a person's name and by the address of the homestead
49 for which the exemption is claimed. The database shall be made accessible

1 to officials listed in subsection (5) (b) of this section for the purpose of
2 verifying that:

3 (a) Multiple active exemptions have not been claimed by the same per-
4 son; and

5 (b) A person's residence for voting purposes is the same as the home-
6 stead for which such person has an active exemption pursuant to this
7 section, if an exemption is so claimed.

8 SECTION 2. An emergency existing therefor, which emergency is hereby
9 declared to exist, this act shall be in full force and effect on and after its
10 passage and approval.